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THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE FUND
and
INDIGENT TRANSCRIPT FUND
December 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/3/05

Arthur D. Matte
Certified Public Accountant

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

Judicial Expense Fund and Indigent Transcript Fund

Financial Statements
With Supplemental Information Schedules
December 31, 2004

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THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

Judicial Expense Fund and Indigent Transcript Fund

Financial Statements
With Supplemental Information Schedules
December 31, 2004

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THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDUGENT TRANSCRIPT FUNDS

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 2004**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court (The Funds) provides an overview of the funds activities for the year ended December 31, 2004. Please read it in conjunction with the funds' financial statements.

USING THIS ANNUAL REPORT

This annual report consists of series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of The Funds' as a whole and present a long-term view of The Funds' finances. Fund financial statements tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements also report The Fund's operations in more detail than the government-wide statements by also providing information about all The Funds' governmental funds.

These financial statements consist of three sections: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and supplementary information.

Reporting The Funds as a Whole

The Statement of Net Assets and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report The Funds' net assets and changes in them. The Funds' net assets, the difference between assets and liabilities, measure The Funds' financial position. The increases or decreases in The Funds' net assets are an indicator of whether its financial position is improving or deteriorating. Other non-financial factors, however, should be considered in order to assess the overall condition of the Court.

Currently, The Funds' have only governmental activities that provide for personnel, equipment, supplies, and other costs related to the proper administration of the District Court. Primarily, court cost, fees, and grants, finance these activities.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDUGENT TRANSCRIPT FUNDS

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 2004**

Reporting The Funds

Fund Financial Statements

Fund financial statements provide detailed information about The Funds, not the court as a whole. These funds are reported using an accounting method called modified accrual accounting, which measure only cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of The Funds' operations and the services it provides. Governmental fund information helps you determine the amount of financial resources available to be spent in the near future to finance The Funds' programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statements.

JUDICIAL EXPENSE AND INDUGENT TRANSCRIPT FUNDS

For the year ended December 31, 2004, net assets are as follows:

	<u>2004</u>
Current and other assets	\$ 244,197
Capital assets, net	<u>123,185</u>
Total assets	367,382
 Liabilities	 <u>\$ 6,220</u>
Total Liabilities	6,220
 Net assets	
Investment in capital assets, net	\$ 123,185
Unrestricted	<u>237,977</u>
Total Net Assets	361,162
 Total Liabilities and Net Assets	 <u>\$ 367,382</u>

THIRTY-FIRST JUDICIAL DISTRICT COURT

Jennings, Louisiana

JUDICIAL EXPENSE AND INDUGENT TRANSCRIPT FUNDS

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS For the Year Ended December 31, 2004

For the year ended December 31, 2004, activities are as follows:

	2004
General government	
Expenses	\$(85,180)
Program revenues	
Fees, fines and charges for services	
Operating grants and contributions	122,990
Intergovernmental	54,709
Subtotal	92,519
General revenues	0
Change in net assets	92,519

GENERAL FUND BUDGETARY HIGHLIGHTS

The Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court adopted a budget for The Funds' for the year ended December 31, 2004. There were no adjustments made to the budget during the year. The Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court budgetary comparison is presented as required supplementary information and shown on page 16.

CAPITAL ASSEY AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2004, The Funds' have \$123,185 invested in capital assets including courtroom improvements, computers, office furniture, and equipment (See table below).

	2004
Improvements	\$ 24,265
Equipment, Furniture and fixtures	140,402
Total Capital Assets	164,667
Less: Accumulated Depreciation	\$ (41,482)
Total Net Capital Assets	\$ 123,185

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDUGENT TRANSCRIPT FUNDS

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 2004**

Debt

The Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court has no debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

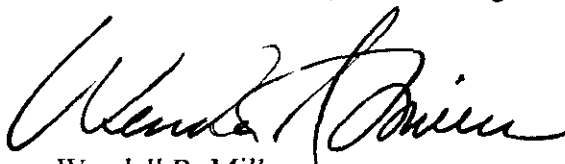
The Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Fees, fines and charges for services
- 2) Intergovernmental revenues (state and local grants)
- 3) Personal services expenses
- 4) Operating services expenses

The Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court does not expect any significant changes in next year's results as compared to the current year.

**CONTACTING THE THIRTY-FIRST JUDICIAL COURT EXPENSE FUND'S
MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court finances and to show the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court accountability for the money it receives. If you have questions about this report or need additional financial information, contact Judge Wendell R. Miller at (337) 824-3506



Wendell R. Miller
Judge

Arthur D. Matte
Certified Public Accountant
717 North Main Street
Jennings, LA 70546
(337) 824-0188

Honorable Wendell R. Miller, Judge
Thirty-First Judicial District Court
Jennings, Louisiana

I have audited the accompanying financial statements of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court, a component unit of the Jefferson Davis Parish Police Jury, as of December 31, 2004, and for the year then ended. These general purpose financial statements are the responsibility of the Thirty-First Judicial District Court's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

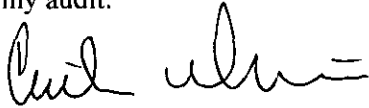
I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court, as of December 31, 2004 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and analysis and the schedules presented therewith are not required parts of the basic financial statements, but are supplementary information required by GASB. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

As described in Note 7 to the basic financial statements, the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments; Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2004. This results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 18, 2005, on my consideration of Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with government auditing standards and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in black ink, appearing to read 'Arthur D. Matte', with a stylized flourish at the end.

Arthur D. Matte
Certified Public Accountant

Jennings, LA
June 18, 2005

BASIC FINANCIAL STATEMENTS

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2004

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 212,965
Receivables:	
Due from others	44
Due from other governments-fees & fines	<u>31,188</u>
Total Current Assets	244,197
Noncurrent Assets	
Fixed assets(net)	<u>123,185</u>
TOTAL ASSETS	\$ <u>367,382</u>
LIABILITIES	
Liabilities:	
Accounts payable	4,755
Payroll taxes payable	\$ <u>1,465</u>
Total Liabilities	<u>6,220</u>
NET ASSETS AND OTHER CREDITS	
Investment in general fixed assets	123,185
Unreserved-undesignated	<u>237,977</u>
Total Net Assets and Other Credits	<u>361,162</u>
TOTAL LIABILITIES, NET ASSETS AND OTHER CREDITS	\$ <u>367,382</u>

The accompanying notes are an integral part of this statement.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Activities:	Program Revenues			Net(Expense) Revenue and Changes in Net Assets Governmental Activities
	Expenses	Fees, Fines Commissions, and Charges for Services	Intergovernmental	
Governmental Activities:				
Judicial Expense	\$ 79,703	\$ 68,957	\$ 54,709	\$ 43,963
Indigent Transcript	5,477	54,033	0	48,556
Total Governmental Activities:	\$ 85,180	\$ 122,990	\$ 54,709	\$ 92,519
Change in Net Assets				92,519
Net Assets - Beginning of Year				268,643
Net Assets - End of Year				361,162

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

ALL FUND TYPES AND ACCOUNT GROUPS
 COMBINED BALANCE SHEET
 AS OF DECEMBER 31, 2004

	Governmental Fund Type	Account Group	Total (Memorandum Only)
	General Funds	General Fixed Assets	
ASSETS			
Cash and cash equivalents	\$ 212,965	\$ -	\$ 212,965
Receivables:			
Due from others	44	-	44
Due from other governments-fees & fines	31,188	-	31,188
Fixed assets	<u>-</u>	<u>123,185</u>	<u>123,185</u>
TOTAL ASSETS	<u>\$ 244,197</u>	<u>\$ 123,185</u>	<u>\$ 367,382</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	4,755	-	4,755
Payroll taxes payable	<u>\$ 1,465</u>	<u>\$ -</u>	<u>\$ 1,465</u>
Total Liabilities	<u>6,220</u>	<u>-</u>	<u>6,220</u>
Equity and Other Credits			
Investment in general fixed assets	-	123,185	123,185
Fund Balance:			
Unreserved-undesignated	<u>237,977</u>	<u>-</u>	<u>237,977</u>
Total Equity and Other Credits	<u>237,977</u>	<u>123,185</u>	<u>361,162</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 244,197</u>	<u>\$ 123,185</u>	<u>\$ 367,382</u>

The accompanying notes are an integral part of this statement.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Total Governmental Fund Balances	237,977
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Captial assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>123,185</u>
Net Assets of Governmental activities	<u><u>361,162</u></u>

The accompanying notes are an integral part of this statement.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>General Funds</u>
REVENUES	
Fees and fines	\$ 122,990
Intergovernmental	54,709
Total Revenues	<u>177,699</u>
EXPENDITURES	
Current:	
Personal services:	
Salaries and wages	17,300
Payroll taxes	251
Retirement contributions	1,845
Operating services:	
Telephone	9,248
Rentals	-
Repairs and maintenance	2,833
Professional services	9,144
Materials and supplies:	
Office supplies	13,701
Library and subscriptions	18,683
Travel and other charges:	
Travel and seminars	3,076
Jury meals	702
Capital outlay	76,653
Total Expenditures	<u>153,436</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	24,263
FUND BALANCE AT BEGINNING OF PERIOD	213,714
FUND BALANCE AT END OF PERIOD	\$ <u><u>237,977</u></u>

The accompanying notes are an integral part of this statement.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

RECONCILIATION OF STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31,2004

Net change in fund balances - total governmental funds	24,263
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Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which depreciation
exceeds capital outlay in the current period.

<u>68,256</u>

Change in Net Assets of Governmental activities	<u><u>92,519</u></u>
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The accompanying notes are an integral part of this statement.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - Budget (GAAP Basis) and Actual
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Fees and fines	155,000	122,990	(32,010)
Intergovernmental	\$ 60,000	\$ 54,709	\$ (5,291)
 Total Revenues	 <u>215,000</u>	 <u>177,699</u>	 <u>(37,301)</u>
EXPENDITURES			
Current:			
Personal services:			
Salaries and wages	17,850	17,300	550
Payroll taxes	250	251	(1)
Retirement contributions	1,900	1,845	55
Operating services:			
Telephone	8,000	9,248	(1,248)
Rentals	-	-	-
Repairs and maintenance	4,000	2,833	1,167
Professional services	42,200	9,144	33,056
Materials and supplies:			
Office supplies	16,300	13,701	2,599
Library and subscriptions	21,000	18,683	2,317
Travel and other charges:			
Travel and seminars	3,000	3,076	(76)
Jury meals	1,000	702	298
Capital outlay	<u>76,500</u>	<u>76,653</u>	<u>(153)</u>
 Total Expenditures	 <u>192,000</u>	 <u>153,436</u>	 <u>38,564</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 23,000	 24,263	 1,263
FUND BALANCE AT BEGINNING OF PERIOD	-	213,714	213,714
FUND BALANCE AT END OF PERIOD	<u>\$ 23,000</u>	<u>\$ 237,977</u>	<u>\$ 214,977</u>

The accompanying notes are an integral part of this statement.

THIRTY-FIRST JUDICIAL DISTRICT COURT

Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

December 31, 2004

Notes to the Financial Statements

INTRODUCTION

The Thirty-First Judicial District Court Indigent Transcript Fund and Judicial Expense Funds were created pursuant to LSA-RS 13:985, 985.1 and 996.58. The Indigent Transcript Fund and Judicial Expense Fund were established to deposit fines and fees collected under the provisions of these sections. The purpose of these funds is to pay the salary of the District Court reporter, administrative costs, or other expenses allowed by statute as deemed necessary by the district judge.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Judge of the Thirty-First Judicial District Court is an independently elected official; however, the Court is fiscally dependent on the Jefferson Davis Parish Police Jury. The Police Jury maintains and operates the parish courthouse in which the Court is located and provides funds for equipment and furniture of the office. Because the Court is fiscally dependent on the Police Jury, the Court was determined to be a component unit of the Jefferson Davis parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the Judicial Expense and Indigent Transcript Funds maintained by the Judge relative to his responsibility under LSA-RS 13:985, 985.1, and 996.58 and do not present information on the Criminal Court Fund or on the Police Jury or the general governmental services provided by that governmental unit that comprises the financial reporting entity.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between expenses and program revenues for each function of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a

THIRTY-FIRST JUDICIAL DISTRICT COURT

Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

December 31, 2004

Notes to the Financial Statements

particular program. Revenues including taxes are not classified as program revenues, but are presented as general revenues.

The accompanying financial statements of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

C. FUND ACCOUNTING

The accounts of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court are organized on the basis of funds. A fund is a separate fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Indigent Transcript Fund and Judicial Expense Fund are classified as governmental funds in the accompanying financial presentation. General funds account for all financial activities, including acquisition of general fixed assets, except for those, required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, expendable trust funds, and agency funds. The governmental funds and expendable trust funds use the following practices in recording revenues and expenditures:

Revenues

Fines and fees are recognized when an enforceable legal claim to the assets arises or when resources are received, whichever occurs first.

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS
December 31, 2004

Notes to the Financial Statements

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGETS

Pursuant to the Louisiana Local Government Budget Act (LSA-RS 39: 1301-1314) the District Judge is required to prepare and adopt an annual budget for the Indigent Transcript Fund and the Judicial Expense Fund. The operating budgets include proposed expenditures and the means of financing them. All budget appropriations lapse at year-end. The District Judge adopted the budget for the Indigent Transcript Fund and the Judicial Expense Fund on January 1, 2004.

F. ENCUMBRANCES

The Indigent Transcript Fund and the Judicial Expense Fund do not utilize encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the police jury are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

I. NET ASSETS

Net assets comprise the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net assets are classified in the following three components:

THIRTY-FIRST JUDICIAL DISTRICT COURT

Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

December 31, 2004

Notes to the Financial Statements

Invested in capital assets, net of related debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that is attributable to the acquisition of those assets. There was no outstanding debt attributable to these fixed assets as of December 31, 2004.

Restricted - This component of net assets consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

J. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At December 31, 2004 the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court had cash and cash equivalents (book balances) totaling \$ 212,965 as follows:

Demand deposits	\$	212,965
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These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities, owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2004, the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court had \$212,965 in deposits (collected bank balances). These deposits are secured from risk by \$146,131 of federal deposit insurance and \$66,834 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

December 31, 2004

Notes to the Financial Statements

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Thirty-First Judicial District Court that the fiscal agent has failed to pay deposited funds upon demand.

3. CHANGES IN GENERAL FIXED ASSETS

	<u>Balance</u> <u>Jan 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Adjustments</u>	<u>Balance Dec.</u> <u>31, 2004</u>
Improvements	\$ 24,265	\$ 0	\$ 0	\$ 0	\$ 24,265
Equipment and furniture	<u>63,749</u>	<u>76,653</u>	<u>0</u>	<u>0</u>	<u>140,402</u>
	<u>\$ 88,014</u>	<u>\$ 76,653</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 164,667</u>

4. EXPENDITURES-ACTUAL AND BUDGET

The Judicial Expense Fund actual expenditures exceeded budgeted expenditures as follows:

<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>Variance</u>
\$ 192,000	\$ 153,436	\$ 38,564

Favorable variances in expenditures were due to a unfavorable decrease in projected revenues of \$37,301.

5. PENSION PLAN

Parochial Employees' Retirement System of Louisiana (PERS)

Plan Description. Substantially all employees, exclusive of the District Judge, of the District Court are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District Court are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under

THIRTY-FIRST JUDICIAL DISTRICT COURT

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December 31, 2004

Notes to the Financial Statements

Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 5.5% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Court's contributions to the System under Plan A for the years ending December 31, 2004, and 2003 were \$1,655, and \$275, respectively, equal to the required contributions for the year.

Louisiana State Employees' Retirement System (LASERS)

Plan Description. The District Judge is a member of the Louisiana State Employees' Retirement System (LASERS), a cost sharing, multiple-employer defined benefits pension plan administered by a separate board of trustees. The system was established and provided for within Title 11, Subtitle II, Chapter 1, of the Louisiana Revised Statutes. Benefit provisions are authorized within LRS 11:441-501.

Those employees considered eligible for membership in LASERS include all state employees except those specifically excluded by statute and are eligible immediately upon employment. Members are vested after 10 years of services.

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JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

December 31, 2004

Notes to the Financial Statements

A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. Effective January 1, 1996, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable at a rate of 2.5% of the average of the highest three consecutive years of compensation, multiplied by the number of years of creditable service. Once an employee has accumulated 10 years of service, disability benefits apply based on the regular benefit formula without age restrictions.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213.

Funding Policy. The vast majority of state employees contribute 7.5% of their salaries. Exceptions include judges, court officers, the governor, lieutenant governor, and legislators, who contribute 11.5% of their respective salaries; the clerk of the House of Representatives, and secretary of the Senate who contribute 9.5% of their salaries; certain Department of Corrections employees, who contribute 9.0%; and certain employees of the Department of Wildlife and Fisheries and Bridge Police employees, who contribute 8.5% of their salaries. The employers of each group listed, including the District Court, contributed 14% of the employees' salaries toward future benefits for fiscal year 2004. The District Court's contribution to the System for the years ending December 31, 2004 and 2003 were \$190, and \$260, respectively, equal to the required contributions for the year.

6. EXPENDITURES OF THE JUDICIAL DISTRICT PAID BY THE PARISH POLICE JURY

The Judicial District Court and its offices are located in the parish courthouse. The Jefferson Davis Parish Police Jury, as required by Louisiana Revised Statute 33.4715, pays the salaries of staff members and for the cost of maintaining the building.

7. CHANGE OF ACCOUNTING

For the year ended December 31, 2004, the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court has implemented GASB Statement No. 34, Basic Financial Statements. GASB No. 34 creates new basic financial statements for reporting on the Court's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which

THIRTY-FIRST JUDICIAL DISTRICT COURT

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December 31, 2004

Notes to the Financial Statements

present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

8. PRIOR YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for December 31, 2004:

Fund Balance, beginning of year as previously reported	\$ 213,714
Adjustments	
Investments in Capital Assets, beginning of year	88,014
Accumulated Depreciation, beginning of year	<u>(33,085)</u>
Net Assets, beginning of year as restated	<u>\$ 268,643</u>

SUPPLEMENTAL INFORMATION SCHEDULES

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2004

	Indigent Transcript Fund	Judicial Expense Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 166,834	\$ 46,131	\$ 212,965
Receivables:			
Due from others	-	44	44
Due from other governments-fees & fines	<u>4,710</u>	<u>26,478</u>	<u>31,188</u>
TOTAL ASSETS	<u>\$ 171,544</u>	<u>\$ 72,653</u>	<u>\$ 244,197</u>
 LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts Payable	\$ -	\$ 4,755	\$ 4,755
Payroll taxes payable	<u>44</u>	<u>1,421</u>	<u>1,465</u>
Total Liabilities	<u>44</u>	<u>6,176</u>	<u>6,220</u>
Equity and Other Credits			
Fund Balance:			
Unreserved-undesignated	<u>171,499</u>	<u>66,478</u>	<u>237,977</u>
Total Equity and Other Credits	<u>171,499</u>	<u>66,478</u>	<u>237,977</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 171,543</u>	<u>\$ 72,654</u>	<u>\$ 244,197</u>

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana
JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31,2004

	Indigent Transcript Fund	Judicial Expense Fund	Total
REVENUES			
Fees and fines	54,033	68,957	122,990
Intergovernmental	\$ -	\$ 54,709	\$ 54,709
Total Revenue	<u>54,033</u>	<u>123,666</u>	<u>177,699</u>
EXPENDITURES			
Current:			
Personal services:			
Salaries and wages	-	17,300	17,300
Payroll taxes	-	251	251
Retirement contributions	-	1,845	1,845
Operating services:			
Telephone & Utilities	-	9,248	9,248
Rentals	-	-	-
Repairs and maintenance	-	2,833	2,833
Professional services	5,155	3,989	9,144
Materials and supplies:			
Office supplies	322	13,379	13,701
Library and subscriptions	-	18,683	18,683
Travel and other charges:			
Travel and seminars	-	3,076	3,076
Jury meals	-	702	702
Capital outlay	-	76,653	76,653
Total Expenditures	<u>5,477</u>	<u>147,959</u>	<u>153,436</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	48,556	(24,293)	24,263
FUND BALANCE AT BEGINNING OF PERIOD	122,943	90,771	213,714
FUND BALANCE AT END OF PERIOD	<u>\$ 171,499</u>	<u>\$ 66,478</u>	<u>\$ 237,977</u>

**OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

Honorable Wendell R. Miller, Judge
Thirty-First Judicial District Court
Jennings, Louisiana

I have audited the financial statements of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court, a component unit of the Jefferson Davis Parish Police Jury, as of December 31, 2004 and for the year then ended and have issued my report thereon dated June 18, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be a material weakness.

This report is intended for the information of the District Judge, management, others within this organization and the Louisiana Legislative Audit Advisory Council and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read 'Arthur D. Matte', with a stylized, cursive script.

Arthur D. Matte
Certified Public Accountant

Jennings, LA
June 18, 2005

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2004

SECTION I – SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report, dated June 18, 2005, on the general purpose financial statements of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court, a component unit of the Jefferson Davis Parish Police Jury, as of December 31, 2004, expresses an unqualified opinion.
2. No reportable conditions were disclosed during the audit of the financial statements of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court.
3. No Instances of noncompliance not material to the financial statements of the Judicial Expense and Indigent Transcript Funds of the Thirty-First Judicial District Court were disclosed during the audit.
4. Auditee did not have federal award programs during the period under audit. Therefore, no reportable conditions were disclosed during the audit of internal controls over major federal award programs.
5. Auditee did not have federal award programs during the period under audit. Therefore, the auditor did not issue a report on compliance for major federal award programs.
6. Auditee did not have federal award programs during the period under audit. Therefore there are no findings relative to major federal award programs in this Schedule.
7. A management letter was not issued.
8. Auditee did not have federal award programs during the period under audit. Therefore, this Schedule does not contain a list of major programs tested.
9. The threshold used for distinguishing between Type A and B programs was: Not applicable.
10. Is auditee a “low-risk” auditee, as defined by OMB Circular A-133? : Not applicable.

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS MATERIAL TO THE FINANCIAL STATEMENTS

Reportable Conditions – Current Year Findings:

NONE

Compliance – Current Year Findings:

NONE

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE AND INDIGENT TRANSCRIPT FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2004

Reportable Conditions – Prior Year Findings From the Audit :

Finding 2003-1: Internal Controls Over Cash Disbursements

Condition: During review of cash disbursements it was noted that vendors were being paid without invoices or any other form of substantiation to support the expenditure.

Recommendation: Personnel in charge of payment should pay by original invoice only. Since the Judge signs all checks, he should review the attached substantiation carefully to determine that complete original invoices substantiate all payments being made.

Current Status: The above recommendation is implemented.

Finding 2003-2: Travel Reimbursements Documentation

Condition: A review of cash disbursements paid out of the Judicial Expense Fund (JEF) disclosed expenditures that appear to be unsubstantiated and duplicated. Condition: A review of cash disbursements paid out of the Judicial Expense Fund (JEF) disclosed expenditures that appear to be unsubstantiated and duplicated.

Recommendation: It is recommended that the use of advance Per Diem payments should be discontinued. Instead of issuing advance Per Diems it is recommended that detail invoices should be submitted for reimbursement after returning from travels.

Current Status: As of October 2003 the above recommendation has been implemented.

**SECTION III – INTERNAL CONTROL AND COMPLIANCE FINDINGS MATERIAL
TO MAJOR FEDERAL AWARDS**

Not applicable